



Department of Defense DIRECTIVE

NUMBER 5118.3

January 6, 1997

DA&M

SUBJECT: Under Secretary of Defense (Comptroller) (USD(C))/Chief Financial Officer (CFO), Department of Defense

- References:
- (a) Title 10, United States Code
 - (b) DoD Directive 5118.3, "Comptroller of the Department of Defense (C, DoD)," June 24, 1991 (hereby canceled)
 - (c) DoD Directive 5118.6, "Chief Financial Officer of the Department of Defense (CFO, DoD)", February 21, 1992 (hereby canceled)
 - (d) Title 31, United States Code
 - (e) through (i), see enclosure 1

1. REISSUANCE AND PURPOSE

Pursuant to Section 135 of reference (a) and the authority vested in the Secretary of Defense by Section 113 of reference (a), this Directive reissues reference (b) to update the responsibilities, functions, relationships, and authorities of the USD(C)/CFO, Department of Defense, as prescribed herein, and replaces reference (c).

2. APPLICABILITY

This Directive applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Inspector General of the Department of Defense (IG, DoD), the Uniformed University of the Health Sciences, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as "the DoD Components").

3. RESPONSIBILITIES AND FUNCTIONS

The Under Secretary of Defense (Comptroller)/Chief Financial Officer is the principal staff assistant and advisor to the Secretary and Deputy Secretary of Defense for budgetary, fiscal, and program analysis and evaluation matters (including financial management, accounting policy and systems, management control systems, budget formulation and execution, and contract audit administration and organization), and general management improvement programs. The USD(C)/CFO is the chief financial management advisor to the Secretary of Defense and shall manage all functions and responsibilities as assigned in Chapter 9, Section 3515 of 31 U.S.C. (reference (d)) and reference (e). In the exercise of these responsibilities, the USD(C)/CFO shall:

3.1. Administer the planning, programming, and budgeting system of the Department of Defense.

3.2. Supervise and direct the formulation and presentation of Defense budgets, the interactions with the Congress on budgetary and fiscal matters, and the execution and control of approved budgets; and maintain effective control and accountability over the use of all financial resources of the Department of Defense.

3.3. Establish and supervise the execution of uniform DoD policies, principles, and procedures (including terminologies and classifications, as necessary) for:

3.3.1. Budget formulation, presentation, and execution; financial management programs and systems; accounting and disbursing systems (to include those for nonappropriated funds); cash and credit management; debt collection; financial progress and statistical reporting; and technical, organizational, and administrative matters related to contract audit.

3.3.2. Relationships with financial institutions, including those operating on DoD installations in the United States and overseas.

3.3.3. International financial matters, including the adequacy of international financial agreements.

3.3.4. Education, training, and career development of comptroller and financial management personnel.

3.3.5. Prices for transactions involving the provision of goods and services by the DoD Components, including sales to foreign governments.

3.3.6. Access to DoD budgetary material and other records by the General Accounting Office.

3.4. Provide for the design, development, and installation of management improvement programs and systems throughout the Department of Defense, and shall:

3.4.1. Advise and assist the Secretary and Deputy Secretary of Defense on implementation of the Government Performance and Results Act (reference (f)).

3.4.2. Establish and maintain a management control program to control waste, fraud, loss, mismanagement, inefficiency; and

3.4.3. Promote accuracy and reliability in accounting and operating data.

3.5. Serve as the CFO of the Department of Defense, and shall:

3.5.1. Oversee all financial management activities on the programs and operation of the Department of Defense.

3.5.2. Develop and maintain an integrated DoD accounting and financial management system, including financial reporting and management controls, that comply with Pub.L. 101-576 (1990) (reference (e)).

3.5.3. Serve as Chairman of the Defense Business Operations Fund Corporate Board.

3.5.4. Direct, manage, and provide policy guidance and oversight of DoD financial management personnel, activities, and operations, to include implementation of DoD's asset management systems, including systems for cash management, credit management, debt collection, and property and inventory management control.

3.5.5. Monitor the financial execution of the DoD budget for actual obligations, expenditures, and costs incurred, including, in coordination with the Director of Central Intelligence, the execution of the DoD portion of the National Foreign Intelligence Program, and prepare and submit to the Secretary of Defense timely performance reports.

3.5.6. Review, at least on a biennial basis, the fees, royalties, rents, and other charges imposed by the Department of Defense for services and things of value it provides, and make recommendations on revising those charges to reflect costs

incurred by it in providing those services and things of value.

3.6. Advise and assist the Secretary and Deputy Secretary of Defense with program analysis and evaluation of plans, policies, and programs.

3.7. Advise and assist the Secretary and Deputy Secretary of Defense on administration and organization of the contract audit function within the Department of Defense.

3.8. Advise and assist the Secretary and Deputy Secretary of Defense on administration and organization of the finance and accounting functions within the Department of Defense.

3.9. Serve as the Executive Secretary of the Senior Financial Management Oversight Council.

3.10. Review, evaluate, and manage all financial systems in support of the Department's information management and life-cycle programs including the development, improvement, and maintenance of data standards.

3.11. Serve as the Principal Staff Assistant on the development, integration, implementation, and maintenance of financial strategic plans, reengineering of business practices, information systems architectures and strategies. Ensure preparation and validation of economic analyses in support of financial systems. Serve on the Major Automated Information Systems Review Council for critical milestone review of all major automated information systems.

3.12. Perform such other functions as the Secretary or Deputy Secretary of Defense may prescribe.

4. RELATIONSHIPS

4.1. In the performance of assigned responsibilities and functions, the USD(C)/CFO shall:

4.1.1. Report directly to the Secretary and Deputy Secretary of Defense.

4.1.2. Exercise authority, direction, and control over:

4.1.2.1. The Director, Program Analysis and Evaluation.

4.1.2.2. The Director, Defense Contract Audit Agency.

4.1.2.3. The Director, Defense Finance and Accounting Service (DFAS).

4.1.2.4. Such other subordinate officials as may be assigned.

4.1.3. Coordinate and exchange information with other OSD officials, heads of the DoD Components, and Federal officials having collateral or related functions.

4.1.4. Maintain liaison with congressional budget oversight committees on all DoD budgetary and fiscal matters, serve as the principal liaison of the Department of Defense with the Surveys and Investigations Staff, House Appropriations Committee, and serve as focal point for joint Office of Management and Budget (OMB)/OSD budget and management reviews.

4.1.5. Use existing facilities and services of the Department of Defense or other Federal Agencies, whenever practicable, to avoid duplication and to achieve maximum efficiency and economy.

4.2. The USD(C)/CFO shall be consulted as to professional qualifications of Defense Agency and DoD Field Activity Comptrollers (or equivalents) before their selection to such positions.

4.3. Other OSD officials and heads of the DoD Components shall coordinate with the USD(C)/CFO on all matters related to the responsibilities and functions in section 3., above.

5. AUTHORITIES

5.1. The USD(C)/CFO is hereby delegated authority to:

5.1.1. Issue DoD Instructions, DoD publications, and one-time directive-type memoranda, consistent with DoD 5025.1-M (reference (g)), that implement policy approved by the Secretary of Defense in assigned areas of responsibility. Instructions to the Military Departments shall be issued through the Secretaries of those Departments or designees. Instructions to Combatant Commands shall be communicated through the Chairman of the Joint Chiefs of Staff.

5.1.2. Obtain reports, information, advice, and assistance, consistent with

DoD Directive 8910.1 (reference (h)), as necessary to carry out assigned functions.


5.1.3. Communicate directly with the heads of the DoD Components. Communications to the Commanders of Combatant Commands shall be transmitted through the Chairman of the Joint Chiefs of Staff.

5.1.4. Communicate with other Government officials, representatives of the Legislative Branch, members of the public, and representatives of foreign governments, as appropriate, in carrying out assigned functions.

5.1.5. Exercise the specific delegations of authority in enclosure 2.

6. EFFECTIVE DATE

This Directive is effective immediately.



John P. White
Deputy Secretary of Defense

Enclosures - 2

1. References
2. Delegations of Authority

E1. ENCLOSURE 1

REFERENCES,continued

- (e) Public Law 101-576, "Chief Financial Officers Act of 1990," November 15, 1990
- (f) Public Law 103-62, "Government Performance and Results Act of 1993," August 3, 1993
- (g) DoD 5025.1-M, "DoD Directives System Procedures," August 1994, authorized by DoD Directive 5025.1, June 24, 1994
- (h) DoD Directive 8910.1, "Management and Control of Information Requirements," June 11, 1993
- (i) Executive Order 12333, "United States Intelligence Activities," December 4, 1981

E2. ENCLOSURE 2

DELEGATIONS OF AUTHORITY

E2.1.1. Pursuant to the authority vested in the Secretary of Defense, and subject to the authority, direction, and control of the Secretary of Defense, the USD(C)/CFO is hereby delegated authority to:

E2.1.1.1. Approve or withhold authority to obligate and expend funds authorized and appropriated by Congress for the execution of DoD programs.

E2.1.1.2. Approve requests to hold cash at personal risk for authorized purposes, including imprest funds, and to redelegate such authority as appropriate in the administration and control of DoD funds, consistent with provisions of the Treasury Financial Manual (TFM) and under the authority of Sections 3321 and 3342 of 31 U.S.C.

E2.1.1.3. Implement the TFM within the Department of Defense and grant waivers when delegated by the Secretary of the Treasury to heads of Executive Departments and Agencies.

E2.1.1.4. Approve the establishment of accounts for funds provided to the Department of Defense and issue regulations for the administration of accounts established pursuant to statutory authority.

E2.1.1.5. Exercise the authority of the Secretary of Defense to establish reimbursement rates and prices for DoD goods and services and to approve requests for waivers or reductions of such rates and prices that, by statute, may be exercised by the Secretary of Defense.

E2.1.1.6. Make determinations to effectuate transfers under transfer authorities enacted in DoD and Military Construction Appropriation and Authorization Acts and make any reports or furnish notifications to the Congress or its Committees that may be required in connection with the exercise of such transfers. This authority may not be redelegated.

E2.1.1.7. Approve all requests for reprogramming of funds, except as limited by Part 1.5 (o) of Executive Order 12333 (reference (i)). This authority may not be redelegated.

E2.1.1.8. Transmit Antideficiency Act reports of violations of Sections 1341, 1342, and 1517 of 31 U.S.C. as required by Sections 1351 and 1517(b) of 31 U.S.C.; OMB Circular A-34; and Volume 14 of the DoD Financial Management Regulation, DoD 7400.14-R, to the OMB, the President, and the Congress. This authority may not be redelegated.

E2.1.1.9. Approve obligation adjustments, supervise, and exercise all necessary authorities in connection with the closing of accounts under the provisions of Subchapter IV of Chapter 15, 31 U.S.C. and the transition provisions pertaining to the Department of Defense that are related to such provisions.

E2.1.1.10. Provide for the administration, the receipt of payments and contributions, deposits to and payments from special funds and accounts, and submission of reports on the status of such funds and accounts to the Congress under the terms and conditions that are contained under the provisions of 10 U.S.C. and annual Appropriations and Authorization Acts. Such funds include, but are not limited to, the Overseas Military Facility Investment Recovery Account, the Base Realignment and Closure Accounts, the Defense Cooperation Account, the National Defense Sealift Fund, and the Voluntary Separation Incentive Fund.

E2.1.1.11. Provide fiscal oversight for the defense and military intelligence and national reconnaissance activities in accordance with Part 1.11(j) of E.O. 12333 (reference (i)).

E2.1.2. Pursuant to the authority vested in the Secretary of Defense and subject to the authority, direction, and control of the Secretary of Defense, the USD(C)/CFO, in matters pertaining to the operations and functions of the DFAS, is hereby delegated authority to:

E2.1.2.1. Waive a claim and, when necessary, make recommendations to the Comptroller General of the United States on the waiver of claims, under 5 U.S.C. 5584, 10 U.S.C. 2774, and 32 U.S.C. 716.

E2.1.2.2. Remit or cancel an enlisted member's indebtedness under Sections 4837, 6161, and 9837 of 10 U.S.C.

E2.1.2.3. Collect, compromise, suspend, or end collection action on claims arising out of the activities of, or referred to, the DFAS under 31 U.S.C. 3711.

E2.1.2.4. Request payment and certification decisions from the Comptroller

General of the United States under 31 U.S.C. 3529.

E2.1.2.5. Promulgate regulations establishing conditions under which reimbursements for financial institution charges resulting from late or incorrect direct deposits will be made under 10 U.S.C. 1053 and 1594.

E2.1.2.6. Designate a person to receive amounts due a member determined to be mentally incapable of managing the member's affairs under 37 U.S.C. 602.

E2.1.2.7. Make findings of good faith on purported marriages under 37 U.S.C. 423.

E2.1.2.8. Make dependency determinations for pay and allowance and medical care entitlements under 37 U.S.C. and Chapter 55 of 10 U.S.C.

E2.1.2.9. Make determinations necessary for the administration of missing persons' accounts, except determinations on missing status or death, under Chapter 10 of 37 U.S.C.

E2.1.2.10. Make determinations necessary for the administration of the annuity plans covered under Chapter 73 of 10 U.S.C.

E2.1.3. The USD(C)/CFO may redelegate these authorities, as appropriate, and in writing, except as otherwise specifically indicated above, or as otherwise provided by law or regulation.

E2.1.4. These delegations of authority are effective immediately.